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Special Labor Counsel to the Debtors  
and Debtors in Possession

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In re:	:	UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY
SHAPES/ARCH HOLDINGS L.L.C., <u>et</u>	:	CHAPTER 11
<u>al.</u> ,	:	
	:	CASE NO. 08-14631 (GMB)
Debtors.	:	
	:	Hearing Date: September 30, 2008 at 2:00 p.m.

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**AFFIDAVIT IN SUPPORT OF FIRST AND FINAL APPLICATION OF STEVENS &  
LEE, P.C., AS SPECIAL LABOR COUNSEL TO THE DEBTORS AND DEBTORS-IN-  
POSSESSION, FOR COMPENSATION FOR SERVICES RENDERED AND  
REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM  
MARCH 16, 2008 THROUGH AUGUST 8, 2008**

COMMONWEALTH OF PENNSYLVANIA        )  
COUNTY OF MONTGOMERY                )

Paul R. Lewis, Esquire, of full age, being duly sworn according to law, upon his oath  
deposes and says:

1. I am a shareholder in the law firm of Stevens & Lee, P.C. ("S&L"), which firm is special labor counsel to Shapes/Arch Holdings L.L.C. and its related debtor entities, the reorganized debtors (collectively, the "Debtors")<sup>1</sup> in the above-captioned matter.

2. On March 16, 2008 (the "Petition Date"), the Debtors filed their petitions for relief under Chapter 11, Title 11 of the United States Code (the "Bankruptcy Code").

3. No trustee or examiner has been appointed in these cases.

4. An official committee of unsecured creditors (the "Committee") was appointed on March 31, 2008 and was actively involved in these cases since that time.

5. By Order dated April 9, 2008, S&L was retained as special counsel to the Debtors in these bankruptcy proceedings on the terms set forth in S&L's retention application, effective as of March 16, 2008. Pursuant to LRBP 2016-1(b), a copy of the April 9, 2008 Order is attached to the Fee Application Cover Sheet.

6. On March 18, 2008, the Administrative Order Pursuant To 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the "Compensation Procedures Order") was entered by the Court.

7. S&L submits this Affidavit in support of its first and final fee application for compensation and reimbursement of expenses (the "Fee Application"), for its services to Debtors during the period of March 16, 2008 through August 8, 2008 (the "Application Period").

8. On May 20, 2008, S&L filed its First Interim Monthly Fee Statement (the "First Interim Fee Statement") for compensation for services rendered in the amount of \$46,588.00 and

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<sup>1</sup> In addition to Shapes/Arch Holdings L.L.C. ("Shapes/Arch"), the following entities, all of which are wholly owned subsidiaries of Shapes/Arch, also filed petitions on the Petition Date (defined below): Shapes L.L.C. ("Shapes"); Delair L.L.C. ("Delair"); Accu-Weld L.L.C. ("Accu-Weld"); and Ultra L.L.C. ("Ultra").

reimbursement of actual and necessary expenses in the amount of \$935.95. No objections were filed to the First Interim Fee Statement.

9. S&L provided legal services to Debtors as special labor counsel during the course of these bankruptcy cases. Specifically, S&L negotiated modifications to Debtors' collective bargaining agreements, which provided a benefit to the Debtors, and provided legal services to the Debtors in connection with labor and employment law matters that arose or had to be addressed in the normal course of Debtors businesses during the Application Period. In addition, S&L's bankruptcy law professionals acted as conflicts counsel in matters involving Textron Financial Corporation and/or Hess Corporation and other matters in which Debtors' bankruptcy counsel, Cozen O'Connor, had a conflict.

10. Substantial time has been expended in these proceedings, and incorporated herein as "Exhibit A" is a description of services rendered for the Application Period. The professional services rendered by S&L during these cases are further delineated in Section II of the Fee Application Cover Sheet, filed herewith, which reflects a total of 376.2 hours in time expended during the Application Period.

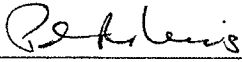
11. A schedule of professionals and paraprofessionals identifying the professional or paraprofessional rendering services to the estates as set forth in the attached "Exhibit A" is also provided in Section I of the Fee Application Cover Sheet.

12. Substantial out-of-pocket costs have also been incurred by S&L in these proceedings, and incorporated herein as "Exhibit B" is a description of all expenses incurred for the Application Period. The expenses incurred by S&L during these cases are further delineated in Section III of the Fee Application Cover Sheet, filed herewith.

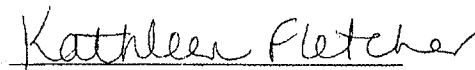
13. It is submitted that the hourly rates requested are market rates for work of this type and nature and are fair and reasonable under the circumstances of these cases.

14. S&L was paid a retainer totaling \$50,000 for work to be done in these cases. S&L currently holds the entire amount of \$50,000. Thus, after application of the \$50,000 retainer, should this Fee Application be granted in its entirety, \$125,198.26 would be due from Debtors.

WHEREFORE, S&L respectfully requests an award of \$171,948.50 in legal fees, together with reimbursement for out-of-pocket expenses in the amount of \$3,249.76, for a total award as special labor counsel for the Debtors during the Application Period in the amount of \$175,198.26.

  
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Paul R. Lewis, Esq.

Sworn to and subscribed before  
me this 5<sup>th</sup> day of September, 2008.

  
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Notary Public

